

FREMONT COUNTY, IOWA

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

Fremont County
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Fremont County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Chris Clark	Board of Supervisors	January, 2025
Randy Hickey	Board of Supervisors	January, 2023
Dustin Sheldon	Board of Supervisors	January, 2023
Dee Owen	County Auditor	January, 2025
Alise Snyder	County Treasurer	January, 2023
Jenny McAllister (Deceased July, 2022)	County Recorder	January, 2023
Kevin Aistrophe	County Sheriff	January, 2025
Naeda Elliott	County Attorney	January, 2023
Vicki Kirkpatrick	County Assessor	January, 2028

Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

1910 EAST 7th STREET BOX 369
ATLANTIC, IOWA 50022-0369
(712) 243-1800
FAX (712) 243-1265
CPA@GBKCO.COM

KENNETH P. TEGELS
CHRISTOPHER J. NELSON
DAVID A. GINTHER
DUSTIN T. VEENSTRA

INDEPENDENT AUDITOR'S REPORT

To the Officials of Fremont County

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Fremont County, Iowa as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the County's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Fremont County as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Fremont County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fremont County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Officials of Fremont County

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fremont County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fremont County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 3 through 3f and on pages 49 through 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Officials of Fremont County

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fremont County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the two years ended June 30, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the seven years ended June 30, 2019 (which are not presented herein), were audited by other auditors, in accordance with the standards referred to in the third paragraph of this report, whose reports expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 through 6 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2023 on our consideration of Fremont County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Fremont County's internal control over financial reporting and compliance.

Gwendolyn Bell, Kyhnna W. P. C.

Atlantic, Iowa
June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fremont County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2022. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2022 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities decreased 5.7%, or approximately \$1,024,000, from Fiscal 2021 to Fiscal 2022. Property and other County Taxes and Local Option Sales Tax increased approximately \$238,000. Operating Grants, Contributions and Restricted Interest increased approximately \$1,437,000, and Capital Grants, Contributions and Restricted Interest decreased by approximately \$2,588,000.
- Program expenses of the County's governmental activities increased 13.1%, or approximately \$1,552,000, from Fiscal 2021 to Fiscal 2022. Public Safety and Legal Services increased \$29,000, County Environment and Education increased \$1,132,000, Roads and Transportation increased \$469,000, and Administration increased \$87,000.
- The County's net position increased 11.9%, or approximately \$3,626,000, from June 30, 2021 to June 30, 2022.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Fremont County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Fremont County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Fremont County acts solely as an agent or custodian for the benefit of those outside of County government (Custodial Funds).

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability (asset), related contributions and the County's OPEB liability and related ratios and notes.

Supplementary Information provides detailed information about the nonmajor governmental and the individual Custodial Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Position presents financial information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal years.

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, and interest on long-term debt. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2) A proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

3) Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Custodial Funds that account for E911, joint disaster services, and the County Assessor, to name a few.

The required financial statements for fiduciary funds is a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Fremont County's combined net position increased from \$30.42 million to \$34.04 million. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2021	2022
Current and Other Assets	\$ 14,892	\$ 17,523
Capital Assets	31,213	32,977
Total Assets	<u>46,105</u>	<u>50,500</u>
Deferred Outflows of Resources	<u>772</u>	<u>547</u>
Long-Term Liabilities	9,426	6,448
Other Liabilities	851	1,806
Total Liabilities	<u>10,277</u>	<u>8,254</u>
Deferred Inflows of Resources	<u>6,185</u>	<u>8,752</u>
Net Position:		
Net Investment in Capital Assets	25,673	27,880
Restricted	4,939	5,428
Unrestricted	(197)	733
Total Net Position	<u>\$ 30,415</u>	<u>\$ 34,041</u>

Net position of Fremont County's governmental activities increased approximately \$3,626,000, or 11.9% during the year. The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets, since they are unavailable for future spending. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased from approximately \$(197,000) at June 30, 2021 to approximately \$733,000 at the end of this year.

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2021	2022
Revenues		
Program Revenues:		
Charges for Services	\$ 783	\$ 837
Operating Grants, Contributions and Restricted Interest	4,965	6,402
Capital Grants, Contributions and Restricted Interest	5,187	2,599
General Revenues:		
Property and Other County Tax	5,669	5,913
Penalty and Interest on Property Tax	73	42
State Tax Credits and Replacements	368	343
Local Option Sales Tax	554	548
Hotel/motel tax	109	122
Unrestricted Investment Earnings	95	103
Miscellaneous	289	159
Total Revenues	18,092	17,068
Program Expenses		
Public Safety and Legal Services	3,221	3,250
Physical Health and Social Services	222	196
Mental Health	175	191
County Environment and Education	871	2,003
Roads and Transportation	5,082	5,551
Governmental Services to Residents	460	455
Administration	1,547	1,634
Interest on long-term debt	312	162
Total Expenses	11,890	13,442
Change in Net Position	6,202	3,626
Net Position, Beginning of Year	24,213	30,415
Net Position, End of Year	\$ 30,415	\$ 34,041

Revenues of the County's governmental activities decreased 5.7%, or approximately \$1,024,000, from Fiscal 2021 to Fiscal 2022. Charges for services increased approximately \$54,000. Operating Grants, Contributions, and Restricted Interest increased approximately \$1,437,000, and Capital Grants, Contributions, and Restricted Interest decreased by \$2,588,000.

Fiscal 2022 saw an increase in total taxable valuation of \$10,027,000, which is a 1.7% increase, with the total tax asking increasing by \$63,383, or 1.1%.

The cost of all governmental activities this year was \$13.44 million, an increase of \$1.55 million when compared to last year. However, as shown in the Statement of Activities on page 6, the amount taxpayers ultimately financed for these activities was \$3,604,000 because some of the cost was paid by those directly benefited from the programs (\$837,000) or by other governments and organizations that subsidized certain programs with grants and contributions (\$9,001,000). Overall, the County's governmental program revenues, including intergovernmental aid and fees for services, decreased from approximately \$10,935,000 in 2021 to \$9,838,000 in 2022, principally due to the decrease in Capital Grants, Contributions, and Restricted Interest. The County paid for the remaining "public benefit" portion of governmental activities with approximately \$7,230,000 in property and local option taxes (some of which could only be used for certain programs) and other revenues, such as interest and general entitlements.

INDIVIDUAL MAJOR FUND ANALYSIS

As Fremont County completed the year, its governmental funds reported a combined fund balance of \$8.24 million, an increase of approximately \$264,000 from last year's total of \$7.97 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- The General Fund, the operating fund for Fremont County, ended Fiscal Year 2022 with a fund balance totaling \$2,886,908. This was an increase from Fiscal Year 2021 of \$90,089.
- The Rural Services Fund ended Fiscal Year 2022 with a fund balance of \$418,793. This was an increase from Fiscal Year 2021 of \$27,968.
- The Secondary Roads Fund ended Fiscal Year 2022 with a fund balance of \$2,701,060, down \$96,391 when compared to the ending balance for Fiscal Year 2021.
- The Debt Service Fund balance at year end decreased by \$79,923 from the prior year.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following a required public notice and hearing for all funds except Custodial Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The County budget is prepared on a cash basis. Fremont County amended its budget September 15, 2021 by \$4,062,000, November 9, 2021 by \$1,179,000 and May 11, 2022 by \$(2,204,000). The majority of increases were in the County Environment and Education (\$3,973,000); Roads and Transportation (\$718,000); and Administration (\$1,224,000) functions.

The County's total receipts of \$15,455,603 were \$5,066,878 less than budgeted. The County's total disbursements of \$14,458,558 were \$6,715,646 less than budgeted. During the year ended June 30, 2022, disbursements exceeded the amount budgeted in the mental health function.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, Fremont County had approximately \$33.0 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is an approximate \$1,764,000 increase (including additions and deletions) from last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2021	2022
Land	\$ 198	\$ 198
Infrastructure, road network	3,109	3,109
Construction in Progress	8,269	9,895
Buildings and Improvements	6,774	6,590
Equipment and Vehicles	2,153	2,113
Infrastructure	10,710	11,072
	<u>\$ 31,213</u>	<u>\$ 32,977</u>

The County had depreciation expense of \$1,499,939 in Fiscal Year 2022 and total accumulated depreciation of \$13,825,174 at June 30, 2022. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Debt

Fremont County has general obligation bonds and notes outstanding as of the end of FY22 totaling \$5,896,688 compared to \$6,424,688 at the end of FY21. Principal payments due during FY23 total \$561,563.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Fremont County's Board of Supervisors considered many factors for the fiscal year 2023 budget, tax rates, the local economic conditions and funding of various County services. One of those factors was the economy. The population of Fremont County as estimated for 2021 was 6,567. The County budgeted approximately \$18,563,000 in revenues and \$20,548,000 in expenditures for FY2023.

The County attempts to keep all departmental budgets to as small an increase as practical to help alleviate the difference between revenue and expenditures in an effort to maintain all current county programs.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Fremont County's finances and show accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Fremont County Auditor's office, Fremont County Courthouse, Sidney, IA 51652, telephone (712)374-2031.

Fremont County
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 7,729,239
Receivables:	
Property tax:	
Delinquent	25,382
Succeeding year	5,906,000
Interest and penalty on property tax	49,928
Accrued interest	902
Opioid settlement	157,850
Loan	800,000
Due from other funds	15,411
Due from other governments	976,168
Inventories	388,795
Prepaid insurance	359,606
Capital assets (net of accumulated depreciation)	32,977,176
Net pension asset	<u>1,113,658</u>
Total assets	<u>50,500,115</u>
Deferred Outflows of Resources	
Pension related deferred outflows	541,159
OPEB related deferred outflows	<u>5,734</u>
Total deferred outflows of resources	<u>546,893</u>
Liabilities	
Accounts payable	627,410
Accrued interest payable	10,083
Salaries and benefits payable	301,949
Due to other governments	189,962
Unearned revenue	675,949
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds/notes	561,563
Compensated absences	79,835
Portion due or payable after one year:	
General obligation bonds/notes	5,335,125
Compensated absences	371,025
Total OPEB liability	<u>100,545</u>
Total liabilities	<u>8,253,446</u>

(continued next page)

Fremont County
Statement of Net Position - continued
June 30, 2022

	<u>Governmental Activities</u>
Deferred Inflows of Resources	
Unavailable property tax revenue	\$ 5,906,000
Pension related deferred inflows	2,714,706
OPEB related deferred inflows	<u>131,675</u>
Total deferred inflows of resources	<u>8,752,381</u>
Net Position	
Net investment in capital assets	27,880,488
Restricted for:	
Mental health purposes	10
Rural service purposes	424,326
Secondary roads purposes	2,384,867
Other purposes	2,618,574
Unrestricted	<u>732,916</u>
Total net position	<u>\$ 34,041,181</u>

See notes to financial statements.

Fremont County
Statement of Activities
Year ended June 30, 2022

	<u>Expenses</u>	<u>Program Revenues</u>
Functions/Programs:		
Governmental activities:		
Public safety and legal services	\$ 3,249,616	\$ 461,165
Physical health and social services	196,215	24
Mental health	190,866	--
County environment and education	2,003,241	169,458
Roads and transportation	5,551,412	8,775
Governmental services to residents	454,715	190,311
Administration	1,633,544	7,741
Interest on long-term debt	162,200	--
Total	<u>\$ 13,441,809</u>	<u>\$ 837,474</u>
General Revenues:		
Property and other county tax levied for:		
General purposes		
Debt service		
Penalty and interest on property tax		
State tax credits and replacements		
Local option sales tax		
Hotel/motel tax		
Unrestricted investment earnings		
Miscellaneous		
Total general revenues		
Change in net position		
Net position beginning of year		
Net position end of year		

See notes to financial statements.

Program Revenues		
Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
\$ 54,470	\$ --	\$(2,733,981)
64,160	--	(132,031)
--	--	(190,866)
19,451	9,176	(1,805,156)
3,451,859	2,589,734	498,956
11,660	--	(252,744)
2,800,281	--	1,174,478
--	--	(162,200)
<u>\$ 6,401,881</u>	<u>\$ 2,598,910</u>	(3,603,544)

5,341,116
 571,628
 41,594
 343,065
 547,682
 121,620
 103,548
158,935

7,229,188

 3,625,644

30,415,537

\$ 34,041,181

Fremont County
Balance Sheet
Governmental Funds

June 30, 2022

	<u>General</u>	<u>Special Revenue Rural Services</u>
Assets		
Cash, cash equivalents and pooled investments	\$ 2,866,174	\$ 444,317
Receivables:		
Property tax:		
Delinquent	17,122	5,533
Succeeding year	3,695,000	1,623,000
Interest and penalty on property tax	49,928	--
Accrued interest	902	--
Opioid settlement	--	--
Loan	--	--
Due from other funds	15,411	--
Due from other governments	515,373	--
Inventories	--	--
Prepaid insurance	<u>219,834</u>	<u>--</u>
Total assets	<u>\$ 7,379,744</u>	<u>\$ 2,072,850</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 386,428	\$ 5,926
Salaries and benefits payable	172,070	10,742
Due to other governments	172,288	8,856
Unearned revenues	--	--
Total liabilities	<u>730,786</u>	<u>25,524</u>
Deferred inflows of resources:		
Unavailable revenues:		
Succeeding year property tax	3,695,000	1,623,000
Other	<u>67,050</u>	<u>5,533</u>
Total deferred inflows of resources	<u>3,762,050</u>	<u>1,628,533</u>

(continued next page)

<u>Special Revenue Secondary Roads</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 2,143,844	\$ 45,409	\$ 1,982,495	\$ 7,482,239
--	2,727	--	25,382
--	588,000	--	5,906,000
--	--	--	49,928
--	--	--	902
--	--	157,850	157,850
--	800,000	--	800,000
--	--	--	15,411
379,172	--	81,623	976,168
388,795	--	--	388,795
<u>139,772</u>	<u>--</u>	<u>--</u>	<u>359,606</u>
<u>\$ 3,051,583</u>	<u>\$ 1,436,136</u>	<u>\$ 2,221,968</u>	<u>\$ 16,162,281</u>
\$ 222,679	\$ --	\$ 2,237	\$ 617,270
119,026	--	111	301,949
8,818	--	--	189,962
--	--	675,949	675,949
<u>350,523</u>	<u>--</u>	<u>678,297</u>	<u>1,785,130</u>
--	588,000	--	5,906,000
<u>--</u>	<u>2,727</u>	<u>157,850</u>	<u>233,160</u>
<u>--</u>	<u>590,727</u>	<u>157,850</u>	<u>6,139,160</u>

Fremont County
Balance Sheet
Governmental Funds - continued

June 30, 2022

	<u>General</u>	<u>Special Revenue Rural Services</u>
Fund balances:		
Nonspendable:		
Inventories	\$ --	\$ --
Prepaid insurance	219,834	--
Restricted for:		
Mental health purposes	--	--
Rural services purposes	--	418,793
Secondary roads purposes	--	--
Capital projects	--	--
Debt service	--	--
Other purposes	1,573	--
Unassigned	<u>2,665,501</u>	<u>--</u>
Total fund balances	<u>2,886,908</u>	<u>418,793</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 7,379,744</u>	 <u>\$ 2,072,850</u>

See notes to financial statements.

<u>Special Revenue Secondary Roads</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 388,795	\$ --	\$ --	\$ 388,795
139,772	--	--	359,606
--	--	10	10
--	--	--	418,793
2,172,493	--	--	2,172,493
--	--	47,154	47,154
--	845,409	--	845,409
--	--	1,338,657	1,340,230
--	--	--	2,665,501
<u>2,701,060</u>	<u>845,409</u>	<u>1,385,821</u>	<u>8,237,991</u>
 \$ 3,051,583	 \$ 1,436,136	 \$ 2,221,968	 \$ 16,162,281

Fremont County

Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position

June 30, 2022

Total governmental fund balances (page 8)		\$ 8,237,991
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$46,802,350 and the accumulated depreciation is \$13,825,174.		32,977,176
Other long-term assets are not available to pay for current year expenditures, as follows:		
Deferred inflows of resources	\$ 233,160	
Net pension asset	<u>1,113,658</u>	1,346,818
The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		236,860
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental fund, as follows:		
Deferred outflows of resources	\$ 546,893	
Deferred inflows of resources	<u>(2,846,381)</u>	(2,299,488)
Long-term liabilities, including accrued interest payable, bonds/notes payable, compensated absences payable and total OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(6,458,176)</u>
Net position of governmental activities (page 5)		<u>\$ 34,041,181</u>

See notes to financial statements.

Fremont County
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds

Year ended June 30, 2022

	<u>General</u>	<u>Special Revenue Rural Services</u>
Revenues:		
Property and other county tax	\$ 3,479,544	\$ 1,561,326
Local option sales tax	--	--
Hotel/motel tax	121,620	--
Interest and penalty on property tax	41,594	--
Intergovernmental	3,420,702	75,792
Licenses and permits	23,094	--
Charges for service	445,473	--
Use of money and property	159,208	--
Miscellaneous	73,818	--
Total revenues	<u>7,765,053</u>	<u>1,637,118</u>
Expenditures:		
Operating:		
Public safety and legal services	2,793,428	239,646
Physical health and social services	175,876	20,339
Mental health	--	--
County environment and education	1,863,223	91,108
Roads and transportation	--	--
Governmental services to residents	454,495	2,420
Administration	2,379,942	--
Debt service	--	--
Capital projects	--	--
Total expenditures	<u>7,666,964</u>	<u>353,513</u>
Excess (deficiency) of revenues over (under) expenditures	<u>98,089</u>	<u>1,283,605</u>

(continued next page)

<u>Special Revenue Secondary Roads</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ --	\$ 571,549	\$ 139,616	\$ 5,752,035
--	--	547,682	547,682
--	--	--	121,620
--	--	--	41,594
3,893,433	36,453	26,683	7,453,063
3,660	--	--	26,754
--	--	1,852	447,325
--	--	628	159,836
61,277	--	23,842	158,937
<u>3,958,370</u>	<u>608,002</u>	<u>740,303</u>	<u>14,708,846</u>
--	--	--	3,033,074
--	--	--	196,215
--	--	190,866	190,866
--	--	62,034	2,016,365
5,438,022	--	--	5,438,022
--	--	--	456,915
--	--	42,888	2,422,830
--	695,925	--	695,925
--	--	39,483	39,483
<u>5,438,022</u>	<u>695,925</u>	<u>335,271</u>	<u>14,489,695</u>
<u>(1,479,652)</u>	<u>(87,923)</u>	<u>405,032</u>	<u>219,151</u>

Fremont County
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds - continued

Year ended June 30, 2022

	<u>General</u>	<u>Special Revenue Rural Services</u>
Other financing sources (uses):		
Sale of capital assets	\$ --	\$ --
Transfers in	--	--
Transfers out	<u>(8,000)</u>	<u>(1,255,637)</u>
Total other financing sources (uses)	<u>(8,000)</u>	<u>(1,255,637)</u>
Change in fund balances	90,089	27,968
Fund balances beginning of year	<u>2,796,819</u>	<u>390,825</u>
Fund balances end of year	<u>\$ 2,886,908</u>	<u>\$ 418,793</u>

See notes to financial statements.

<u>Special Revenue Secondary Roads</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ --	\$ --	\$ 44,491	\$ 44,491
1,383,261	8,000	--	1,391,261
--	--	(127,624)	(1,391,261)
<u>1,383,261</u>	<u>8,000</u>	<u>(83,133)</u>	<u>44,491</u>
(96,391)	(79,923)	321,899	263,642
<u>2,797,451</u>	<u>925,332</u>	<u>1,063,922</u>	<u>7,974,349</u>
<u>\$ 2,701,060</u>	<u>\$ 845,409</u>	<u>\$ 1,385,821</u>	<u>\$ 8,237,991</u>

Fremont County

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances -
Governmental Funds to the Statement of Activities

Year ended June 30, 2022

Change in fund balances - Total governmental funds (page 11) \$ 263,642

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense to allocate
those expenditures over the life of the assets. Capital outlay
expenditures and contributed capital assets exceeded depreciation
expense in the current year as follows:

Expenditures for capital assets	\$ 1,122,512	
Capital assets contributed by the Iowa Department of Transportation	2,153,275	
Depreciation expense	<u>(1,499,939)</u>	1,775,848

Because some revenues will not be collected for several months after the
County's year end, they are not considered available revenues and are
recognized as deferred inflows of resources in the governmental funds,
as follows:

Other		160,709
-------	--	---------

Proceeds from issuing long-term liabilities provide current financial
resources to governmental funds, but issuing debt increases long-
term liabilities in the Statement of Net Position. Repayment of long-
term liabilities is an expenditure in the governmental funds, but the
repayment reduces long-term liabilities in the Statement of Net Position.
Current year repayments exceeded issuances, as follows:

Principal paid		528,000
----------------	--	---------

In the Statement of Activities, the loss on the disposition of capital assets is
reported, whereas the governmental funds report the proceeds from the
disposition as an increase in financial resources.

(11,679)

The current year County IPERS contributions are reported as expenditures
in the governmental funds but are reported as deferred outflows of resources
in the Statement of Net Position.

365,046

Some expenses reported in the Statement of Activities do not require
the use of current financial resources and, therefore, are not reported
as expenditures in the governmental funds, as follows:

Compensated absences	56,786	
Interest on long-term debt	5,725	
OPEB income	3,863	
Pension income	<u>338,247</u>	404,621

The Internal Service Fund is used by management to charge the costs
of the partial self-funding of the County's health insurance benefit
plan to individual funds. The change in net position of the Internal
Service Fund is reported with governmental activities.

139,457

Change in net position of governmental activities (page 6)

\$ 3,625,644

See notes to financial statements.

Fremont County
Statement of Net Position
Proprietary Fund

June 30, 2022

	<u>Internal Service - Employee Group Health</u>
Assets:	
Cash and cash equivalents	\$ 247,000
Liabilities:	
Accounts payable	<u>10,140</u>
Net position:	
Restricted for employee health	<u>\$ 236,860</u>

See notes to financial statements.

Fremont County
Statement of Revenues, Expenses, and Changes in
Fund Net Position
Proprietary Fund

Year ended June 30, 2022

		Internal Service - Employee Group Health
Operating revenues:		
Reimbursements from operating funds		\$ 323,677
Operating expenses:		
Medical claims	\$ 168,118	
Administrative fees	<u>16,234</u>	<u>184,352</u>
Operating income		139,325
Non-operating revenues:		
Interest income		<u>132</u>
Net income		139,457
Net position beginning of year		<u>97,403</u>
Net position end of year		<u><u>\$ 236,860</u></u>

See notes to financial statements.

Fremont County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2022

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursement	\$ 323,677
Cash payments to suppliers for services	(198,077)
Net cash provided by operating activities	<u>125,600</u>
Cash flows from investment activities:	
Interest on investments	<u>132</u>
Net increase in cash and cash equivalents	125,732
Cash and cash equivalents at beginning of year	<u>121,268</u>
Cash and cash equivalents at end of year	<u><u>\$ 247,000</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 139,325
Adjustment to reconcile operating income to net cash provided by operating activities:	
Change in accounts payable	<u>(13,725)</u>
Net cash provided by operating activities	<u><u>\$ 125,600</u></u>

See notes to financial statements.

Fremont County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2022

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$(5,940,982)
Other County officials	39,944
Receivables:	
Property tax:	
Delinquent	60,020
Succeeding year	11,594,000
Accounts	492
Drainage assessments	2,497,434
Due from other governments	6,300,809
Prepaid items	<u>3,562</u>
Total assets	<u>14,555,279</u>

Liabilities

Accounts payable	14,225
Salaries and benefits payable	12,885
Due to other funds	15,411
Due to other governments	2,235,952
Trusts payable	40,996
Compensated absences	<u>12,738</u>
Total liabilities	<u>2,332,207</u>

Deferred Inflows of Resources

Unavailable property tax revenue	<u>11,594,000</u>
----------------------------------	-------------------

Net position

Restricted for individuals, organizations and other governments	<u>\$ 629,072</u>
--	-------------------

See notes to financial statements.

Fremont County
Statement of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2022

Additions:

Property and other county tax	\$ 12,812,979
E911 surcharge	168,925
State tax credits	788,710
Office fees and collections	384,091
Auto licenses, use tax and postage	3,256,010
Trusts	170,278
Miscellaneous	<u>2,342,672</u>
Total additions	<u>19,923,665</u>

Deductions:

Agency Remittances:	
To other funds	75,110
To other governments	19,883,709
Trusts paid out	<u>171,897</u>
Total deductions	<u>20,130,716</u>

Changes in net position	(207,051)
Net position beginning of year	<u>836,123</u>
Net position end of year	<u><u>\$ 629,072</u></u>

See notes to financial statements.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fremont County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Fremont County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Fremont County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units - The following component units are entities which are legally separate from the County, but are so intertwined with the County they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. The County has other drainage districts which are managed and supervised by elected trustees. The financial transactions of these districts are reported as a Custodial Fund. Financial information of the individual drainage districts can be obtained from the Fremont County Auditor's office.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Jointly Governed Organizations - The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Fremont County Assessor's Conference Board, Fremont County Emergency Management Services Commission and Fremont County Joint 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary roads construction and maintenance.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt.

Additionally, the County reports the following funds:

Proprietary Fund - An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost-reimbursement basis.

Fiduciary Funds - Custodial Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease agreements are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for the County's Internal Service Fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments - The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust and non-negotiable certificates of deposit which are stated at amortized cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2021.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Interest and Penalty on Property Tax Receivable - Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Drainage Assessments Receivable - Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Drainage assessments receivable represent assessments which are due and payable but have not been collected and remaining assessments which are payable but not yet due.

Due from and Due to Other funds - During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2022, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets - Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of three years.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 65,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and infrastructure are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	25 - 50
Building improvements	10 - 50
Infrastructure	10 - 65
Equipment and vehicles	3 - 15

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the County after the measurement date but before the end of the County's reporting period.

Due to Other Governments - Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Unearned Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

Trusts Payable - Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

Fremont County
Notes to Financial Statements

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability (asset) attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

Total OPEB Liability - For purposes of measuring the total OPEB liability, deferred inflows of resources and deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on Fremont County's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

Deferred Inflows of Resources - Deferred inflows of resources represents an acquisition of net position applicable to future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Balance - In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned - Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned - All amounts not included in the preceding classifications.

Net Position - The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, disbursements exceeded the amount budgeted in the mental health function and disbursements in certain departments exceeded the amounts appropriated.

NOTE 2 - CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2022 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 2 - CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - Continued

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$9,239. There were no limitations or restrictions on withdrawals for the IPAIT investments.

The County had no other investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Credit risk. The investment in Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk. The County places no limit on the amount which may be invested in any one issuer.

NOTE 3 - DUE FROM AND DUE TO OTHER FUNDS

The detail of interfund receivables and payables at June 30, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Custodial:	
	County Recorder	\$ 7,069
	County Sheriff	<u>8,342</u>
		<u>\$ 15,411</u>

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 4 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2022 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Services	\$ 1,255,637
	Local Option Sales Tax	<u>127,624</u>
		1,383,261
Debt Service	General	<u>8,000</u>
		<u>\$ 1,391,261</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 197,904	\$ --	\$ --	\$ 197,904
Infrastructure, road network	3,109,617	--	--	3,109,617
Construction in progress	<u>8,268,603</u>	<u>2,791,294</u>	<u>1,164,892</u>	<u>9,895,005</u>
Total capital assets not being depreciated	<u>11,576,124</u>	<u>2,791,294</u>	<u>1,164,892</u>	<u>13,202,526</u>
Capital assets being depreciated:				
Buildings	8,700,240	--	--	8,700,240
Improvements other than buildings	220,533	--	--	220,533
Equipment and vehicles	7,583,412	484,493	358,104	7,709,801
Infrastructure, road network	15,408,509	1,164,892	--	16,573,401
Infrastructure, other	<u>395,849</u>	<u>--</u>	<u>--</u>	<u>395,849</u>
Total capital assets being depreciated	<u>32,308,543</u>	<u>1,649,385</u>	<u>358,104</u>	<u>33,599,824</u>
Less accumulated depreciation for:				
Buildings	2,016,297	174,239	--	2,190,536
Improvements other than buildings	130,418	9,874	--	140,292
Equipment and vehicles	5,430,540	512,712	346,425	5,596,827
Infrastructure, road network	4,888,698	790,003	--	5,678,701
Infrastructure, other	<u>205,707</u>	<u>13,111</u>	<u>--</u>	<u>218,818</u>
Total accumulated depreciation	<u>12,671,660</u>	<u>1,499,939</u>	<u>346,425</u>	<u>13,825,174</u>
Total capital assets being depreciated, net	<u>19,636,883</u>	<u>149,446</u>	<u>11,679</u>	<u>19,774,650</u>
Governmental activities capital assets, net	<u>\$ 31,213,007</u>	<u>\$ 2,940,740</u>	<u>\$ 1,176,571</u>	<u>\$ 32,977,176</u>

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 5 - CAPITAL ASSETS - Continued

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 232,915
County environment and education	37,074
Roads and transportation	1,197,665
Governmental services to residents	785
Administration	<u>31,500</u>

Total depreciation expense - governmental activities	<u>\$1,499,939</u>
--	--------------------

NOTE 6 - DUE TO OTHER GOVERNMENTS

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2022 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 172,288
Special Revenue:		
Rural Services		8,856
Secondary Roads		<u>8,818</u>
		<u>17,674</u>
Total for governmental funds		<u>\$ 189,962</u>
Custodial:		
County Assessor	Collections	\$ 318,447
Schools		82,002
Corporations		22,205
Auto License and Use Tax		236,997
Drainage District		1,522,275
All Other		<u>54,026</u>
Total for custodial funds		<u>\$ 2,235,952</u>

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 7 - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	General Obligation Bonds/Notes	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 6,424,688	\$ 507,646	\$ 2,348,074	\$ 145,694	\$ 9,426,102
Increases	--	502,558	--	--	502,558
Decreases	<u>528,000</u>	<u>559,344</u>	<u>2,348,074</u>	<u>45,149</u>	<u>3,480,567</u>
Balance end of year	<u>\$ 5,896,688</u>	<u>\$ 450,860</u>	<u>\$ --</u>	<u>\$ 100,545</u>	<u>\$ 6,448,093</u>
Due within one year	<u>\$ 561,563</u>	<u>\$ 79,835</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 641,398</u>

Bonds/Notes Payable

On November 1, 2014, the County issued \$520,000 of general obligation refunding capital loan notes for a crossover advance refunding of \$495,000 of the general obligation solid waste disposal bonds dated August 9, 2007 for the purpose of constructing improvements to the Fremont County Landfill Commission facilities. The notes bear interest at .65% to 2.15% per annum. During the year ended June 30, 2022, the County paid \$85,000 of principal and \$193 of interest on the notes. The notes matured in fiscal year 2022.

On April 16, 2019 the County issued \$800,000 general obligation capital loan notes, in order to provide funds to pay the costs of improvements and extensions to the landfill facilities. The notes bear interest at 2.25% to 3.00% per annum. During the year ended June 30, 2022, the County paid \$ - 0 - of principal and \$21,648 of interest on the notes. The notes mature in fiscal year 2032. The Fremont County Landfill Commission agreed to make payments to the County to pay the principal and interest on the general obligation solid waste disposal refunding notes and the general obligation capital loan notes as they came due.

On April 15, 2014, the County issued \$5,425,000 of general obligation bonds for the purpose of constructing, furnishing and equipping a County Law Enforcement Center. The bonds bear interest at 2.00% to 3.75% per annum. During the year ended June 30, 2022, the County paid \$265,000 of principal and \$116,025 of interest on the bonds. \$3,460,000 of the bonds were paid off by an advance refunding with general obligation refunding capital loan notes issued on April 29, 2021. The bonds were paid off in fiscal year 2022.

On October 24, 2018, the County issued \$1,870,000 of general obligation capital loan notes for the purpose of acquiring, constructing and installing peace officer communication equipment and other emergency communication equipment and systems. The notes bear interest of 2.00% to 4.00% per annum. During the year ended June 30, 2022, the County paid \$170,000 of principal and \$50,200 of interest on the notes. The notes mature in fiscal year 2029.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 7 - LONG-TERM LIABILITIES - Continued

On September 23, 2020, the County had its application for \$131,250 of State disaster aid provided by 290.28 of the Code of Iowa approved by the Iowa Homeland Security and Emergency Management Department. This State Contingency Fund loan was used to pay for contracted debris removal as a result of the spring floods of 2019. This loan has an interest rate of 0% per annum. During the year ended June 30, 2022, the County paid \$8,000 of principal on the loan. The loan's payment schedule ends in fiscal year 2040.

On April 29, 2021, the County issued \$3,605,000 of general obligation refunding capital loan notes with interest rates ranging from 0.40% to 2.25% per annum. The notes were issued for the refunding of general obligation bonds issued for the County law enforcement center. During the year ended June 30, 2022, the County paid \$ - 0 - of principal and \$59,078 of interest on the notes. The notes mature in fiscal year 2033.

A summary of the County's June 30, 2022 general obligation bonded indebtedness is as follows:

Solid Waste Disposal Capital Loan Notes Issued April 16, 2019			
Year ending June 30,	Interest Rates	Principal	Interest
2023	2.25%	\$ 70,000	\$ 21,647
2024	2.25%	75,000	20,072
2025	2.45%	75,000	18,385
2026	2.45%	75,000	16,547
2027	2.45%	80,000	14,710
2028-2032	3.00%	<u>425,000</u>	<u>39,150</u>
Total		<u>\$ 800,000</u>	<u>\$ 130,511</u>

Communication Notes Issued October 24, 2018			
Year ending June 30,	Interest Rates	Principal	Interest
2023	3.00%	\$ 175,000	\$ 45,100
2024	3.00%	185,000	39,850
2025	4.00%	190,000	34,300
2026	4.00%	195,000	26,700
2027	3.00%	205,000	18,900
2028-2029	3.00%	<u>425,000</u>	<u>19,200</u>
Total		<u>\$ 1,375,000</u>	<u>\$ 184,050</u>

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 7 - LONG-TERM LIABILITIES - Continued

Year ending June 30,	State Contingency Fund Loan		
	Interest Rates	Principal	Interest
2023	0.00%	\$ 6,563	\$ --
2024	0.00%	6,562	--
2025	0.00%	6,563	--
2026	0.00%	6,562	--
2027	0.00%	6,563	--
2028-2032	0.00%	32,812	--
2033-2037	0.00%	32,813	--
2038-2040	0.00%	18,250	--
Total		<u>\$ 116,688</u>	<u>\$ --</u>

Year ending June 30,	Refunding Capital Loan Notes Issued April 29, 2021		
	Interest Rates	Principal	Interest
2023	0.40%	\$ 310,000	\$ 54,255
2024	0.55%	315,000	53,015
2025	0.85%	310,000	51,283
2026	1.15%	315,000	48,647
2027	1.40%	315,000	45,025
2028-2032	1.65%-2.15%	1,680,000	143,503
2033	2.25%	360,000	8,100
Total		<u>\$ 3,605,000</u>	<u>\$ 403,828</u>

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 7 - LONG-TERM LIABILITIES - Continued

Year ending June 30,	Total		
	Principal	Interest	Total
2023	\$ 561,563	\$ 121,002	\$ 682,565
2024	581,562	112,937	694,499
2025	581,563	103,968	685,531
2026	591,562	91,894	683,456
2027	606,563	78,635	685,198
2028-2032	2,562,812	201,853	2,764,665
2033-2037	392,813	8,100	400,913
2038-2040	18,250	--	18,250
Total	<u>\$ 5,896,688</u>	<u>\$ 718,389</u>	<u>\$ 6,615,077</u>

NOTE 8 - LOAN RECEIVABLE

The County loaned note proceeds to the Fremont County Landfill Commission. Under the agreement, the Fremont County Landfill Commission has agreed to make payments to the County equal to the payments the County is required to make on the general obligation capital loan notes, detailed in Note 7 of the Notes to Financial Statements. The principal and interest payments from the Fremont County Landfill Commission are credited to the Debt Service Fund.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 9 - PENSION PLAN

Plan Description - IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally age 55. Sheriffs, deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff's, deputy's or protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of service but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 9 - PENSION PLAN - Continued

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.01% of covered payroll, for a total rate of 18.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2022 totaled \$365,046.

Net Pension Liability (Asset), Pension Expense (Income), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the County reported a liability (asset) of \$(1,113,658) for its proportionate share of the collective net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021 and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the County's proportion was 0.322587%, which was an increase of 0.289161% from its proportion measured as of June 30, 2020.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 9 - PENSION PLAN - Continued

For the year ended June 30, 2022, the County recognized pension expense (income) of \$(338,247). At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 116,448	\$ 37,847
Changes of assumptions	40,431	28,459
Net difference between projected and actual earnings on IPERS' investments	--	2,576,256
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	19,234	72,144
County contributions subsequent to the measurement date	<u>365,046</u>	<u>--</u>
	<u>\$ 541,159</u>	<u>\$ 2,714,706</u>

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 9 - PENSION PLAN - Continued

The \$365,046 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$(641,367)
2024	(626,952)
2025	(580,609)
2026	(696,173)
2027	<u>6,508</u>
Total	<u>\$(2,538,593)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability (asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25% to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

Fremont County

Notes to Financial Statements

June 30, 2022

NOTE 9 - PENSION PLAN - Continued

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	4.43%
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability (asset) was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 1,226,890	\$(1,113,658)	\$(3,074,116)

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 9 - PENSION PLAN - Continued

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS - All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2022.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description - The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits - Individuals who are employed by Fremont County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of service. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	<u>75</u>
Total	<u><u>75</u></u>

Total OPEB Liability - The County's total OPEB liability of \$100,545 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued

Actuarial Assumptions - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	2.60% per annum.
Rate of salary increase (effective June 30, 2022)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2022)	4.09% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	7.50% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate - The discount rate used to measure the total OPEB liability was 4.09% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Pub-2010 general and public safety headcount weighted mortality tables fully generational using Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 145,694
Changes for the year:	
Service cost	18,865
Interest	3,604
Differences between expected and actual experiences	(59,893)
Changes in assumptions	(7,725)
Net changes	(45,149)
Total OPEB liability end of year	<u>\$ 100,545</u>

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued

Changes of assumptions reflect a change in the discount rate from 2.19% in fiscal year 2021 to 4.09% in fiscal year 2022.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.09%) or 1% higher (5.09%) than the current discount rate.

	<u>1% Decrease (3.09%)</u>	<u>Discount Rate (4.09%)</u>	<u>1% Increase (5.09%)</u>
Total OPEB Liability	\$ 105,875	\$ 100,545	\$ 95,433

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.50%) or 1% higher (8.50%) than the current healthcare cost trend rates.

	<u>1% Decrease (6.50%)</u>	<u>Healthcare Cost Trend Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Total OPEB Liability	\$ 90,167	\$ 100,545	\$ 112,756

OPEB Expense (Income), Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2022, the County recognized OPEB expense (income) of \$(3,863). At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ --	\$ 125,054
Changes in assumptions	<u>5,734</u>	<u>6,621</u>
Total	<u>\$ 5,734</u>	<u>\$ 131,675</u>

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued

The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$(26,332)
2024	(26,332)
2025	(26,336)
2026	(19,641)
2027	(17,642)
Thereafter	<u>(9,658)</u>
	<u>\$(125,941)</u>

NOTE 11 - RISK MANAGEMENT

Fremont County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 794 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, employment practices liability, public officials liability and police professional liability. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 11 - RISK MANAGEMENT - Continued

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2022 were approximately \$212,000.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2022, no liability has been recorded in the County's financial statements. As of June 30, 2022, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$500,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 12 - EMPLOYEE HEALTH INSURANCE PLAN

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with the Iowa State Association of Counties (ISAC) and Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual out of pocket maximum of \$1,500 for single coverage and \$3,000 for family coverage. Claims in excess of the out of pocket maximums are issued through the purchase of insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to ISAC from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2022 was \$323,677.

Amounts payable from the Employee Group Health Fund at June 30, 2022 total \$10,140, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$236,860 at June 30, 2022 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 23,865
Incurred claims (including claims incurred but not reported at June 30, 2022)	168,118
Payments:	
Payment on claims during the year	<u>181,843</u>
Unpaid claims end of year	<u>\$ 10,140</u>

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 13 - FINANCIAL ASSURANCE

The County participates in an agreement with the Fremont County Landfill Commission, which was created under Chapter 28E of the Code of Iowa. The purpose of the Commission includes providing economic disposal of solid waste produced or generated within the member county and municipalities.

The County has provided a local government guarantee for a portion of the closure and postclosure care costs of the Commission in accordance with Chapter 567-104.26(5) of the Iowa Administrative Code. Total estimated costs for closure and postclosure care of the commission as of June 30, 2022 are \$2,001,700 and the County's financial assurance obligation amount is \$1,038,846. At June 30, 2022, the County has met the guarantor conditions outlined in Chapter 567-104.26(5) of the Iowa Administrative Code.

In the event the Commission fails to perform closure or postclosure care in accordance with the appropriate plan or permit, whenever required to do so, or fails to obtain an alternate financial assurance within 90 days of intent to cancel, the County will perform or pay a third party to perform closure and/or postclosure care or establish a standby trust fund in the name of the Commission or obtain alternate financial assurance in the amount of the assured amount.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Construction

The County has entered into contracts totaling approximately \$10,887,000, primarily for bridge replacement and road paving to be completed during fiscal year 2023. As of June 30, 2022, the County has incurred approximately \$9,895,000 on these projects. The projects will be financed with existing funds and the County's farm to market fund.

Subsequent Events

The County has evaluated all subsequent events through June 30, 2023, the date the financial statements were available to be issued.

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 15 - FREMONT COUNTY FINANCIAL INFORMATION INCLUDED IN THE
SOUTHWEST IOWA MENTAL HEALTH AND DISABILITY SERVICES
REGION

Southwest Iowa Mental Health and Disability Services Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa includes the following member counties: Cass, Harrison, Mills, Monona, Montgomery, Page, Pottawattamie, Shelby, and Fremont. The financial activity and balances of Fremont County's Special Revenue, Mental Health Fund is included in the Southwest Iowa Mental Health and Disability Services Region for the year ended June 30, 2022 as follows:

	<u>Mental Health</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 10
Total Assets	<u>\$ 10</u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Fund Balance:	
Restricted for:	
Mental Health purposes	<u>10</u>
Total fund balance	<u>10</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 10</u>

Fremont County
Notes to Financial Statements
June 30, 2022

NOTE 15 - FREMONT COUNTY FINANCIAL INFORMATION INCLUDED IN THE
SOUTHWEST IOWA MENTAL HEALTH AND DISABILITY SERVICES
REGION - Continued

Revenues:	
Property and other county tax	\$ 139,616
Intergovernmental revenues:	
State tax credits	<u>8,904</u>
Total revenues	<u>148,520</u>
Expenditures:	
General administration:	
Distribution to regional fiscal agent	<u>190,866</u>
Total expenditures	<u>190,866</u>
Excess of expenditures over revenues	(42,346)
Fund balance beginning of the year	<u>42,356</u>
Fund balance end of the year	<u>\$ 10</u>

NOTE 16 - COVID-19

In March, 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Fremont County, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of the County. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the County.

NOTE 17 - OPIOID LITIGATION SETTLEMENT

The State of Iowa along with other states settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor for, detect and prevent diversion of the drugs. The County also settled the same claims and related claims. Due to its settlement of these claims, the County will receive payments from the defendant companies over the next seventeen years. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction, treatment, and recovery services.

* * *

REQUIRED SUPPLEMENTARY INFORMATION

Fremont County
 Budgetary Comparison Schedule of
 Receipts, Disbursements and Changes in Balances -
 Budget and Actual (Cash Basis) - All Governmental Funds

Required Supplementary Information

Year ended June 30, 2022

	<u>Actual</u>	<u>Less Funds not Required to be Budgeted</u>	<u>Net</u>
Receipts:			
Property and other county tax	\$ 5,752,035	\$ --	\$ 5,752,035
Interest and penalty on property tax	41,594	--	41,594
Intergovernmental	8,912,303	7,365	8,904,938
Licenses and permits	26,964	--	26,964
Charges for service	429,928	--	429,928
Use of money and property	161,289	--	161,289
Miscellaneous	158,655	19,800	138,855
Total receipts	<u>15,482,768</u>	<u>27,165</u>	<u>15,455,603</u>
Disbursements:			
Public safety and legal services	3,030,865	--	3,030,865
Physical health and social services	162,335	--	162,335
Mental health	190,866	--	190,866
County environment and education	2,360,160	28,682	2,331,478
Roads and transportation	5,359,102	--	5,359,102
Governmental services to residents	462,468	--	462,468
Administration	2,271,036	--	2,271,036
Non-program	--	--	--
Debt service	610,925	--	610,925
Capital projects	39,483	--	39,483
Total disbursements	<u>14,487,240</u>	<u>28,682</u>	<u>14,458,558</u>
Excess (deficiency) of receipts over (under) disbursements	995,528	(1,517)	997,045
Other financing sources, net	<u>44,491</u>	<u>--</u>	<u>44,491</u>
Change in balances	1,040,019	(1,517)	1,041,536
Balance beginning of year	<u>6,442,220</u>	<u>114,776</u>	<u>6,327,444</u>
Balance end of year	<u>\$ 7,482,239</u>	<u>\$ 113,259</u>	<u>\$ 7,368,980</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net Variance
\$ 6,228,781	\$ 6,262,781	\$ (510,746)
24,045	24,045	17,549
10,229,470	13,649,967	(4,745,029)
19,900	19,900	7,064
313,045	313,045	116,883
103,251	106,851	54,438
145,892	145,892	(7,037)
<u>17,064,384</u>	<u>20,522,481</u>	<u>(5,066,878)</u>
3,228,903	3,228,903	198,038
313,327	316,037	153,702
160,080	185,080	(5,786)
468,528	4,441,752	2,110,274
5,150,000	5,868,000	508,898
552,156	560,156	97,688
1,788,477	3,012,920	741,884
10,000	10,000	10,000
719,400	719,400	108,475
<u>5,746,000</u>	<u>2,831,956</u>	<u>2,792,473</u>
<u>18,136,871</u>	<u>21,174,204</u>	<u>6,715,646</u>
(1,072,487)	(651,723)	1,648,768
<u>191,613</u>	<u>191,613</u>	<u>(147,122)</u>
(880,874)	(460,110)	1,501,646
<u>4,666,589</u>	<u>4,666,589</u>	<u>1,660,855</u>
<u>\$ 3,785,715</u>	<u>\$ 4,206,479</u>	<u>\$ 3,162,501</u>

Fremont County
 Budgetary Comparison Schedule -Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2022

	Governmental Funds		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenues	\$ 15,482,768	\$ (773,922)	\$ 14,708,846
Expenditures	<u>14,487,240</u>	<u>2,455</u>	<u>14,489,695</u>
Net	995,528	(776,377)	219,151
Other financing sources, net	44,491	--	44,491
Beginning fund balances	<u>6,442,220</u>	<u>1,532,129</u>	<u>7,974,349</u>
Ending fund balances	<u>\$ 7,482,239</u>	<u>\$ 755,752</u>	<u>\$ 8,237,991</u>

See accompanying independent auditor's report.

Fremont County

Notes to Required Supplementary Information - Budgetary Reporting

June 30, 2022

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, the Internal Service Fund and Custodial Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted disbursements by \$3,037,333. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2022, disbursements exceeded the amount budgeted in the mental health function and disbursements in certain departments exceeded the amounts appropriated.

Fremont County

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)

Iowa Public Employees' Retirement System
For the Last Eight Years

Required Supplementary Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportion of the net pension liability (asset)	0.322587%	0.033426%	0.031232%
County's proportionate share of the net pension liability (asset)	\$(1,114,000)	\$ 2,348,000	\$ 1,809,000
County's covered payroll	\$ 3,720,000	\$ 3,668,000	\$ 3,699,000
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-29.95%	64.01%	48.91%
IPERS' net position as a percentage of the total pension liability (asset)	100.81%	82.90%	85.45%

Note: In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year. Amounts reported are rounded.

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.032536%	0.034730%	0.035688%	0.037198%	0.036244%
\$ 2,059,000	\$ 2,313,000	\$ 2,246,000	\$ 1,838,000	\$ 1,437,000
\$ 3,569,000	\$ 3,444,000	\$ 3,362,000	\$ 3,080,000	\$ 2,978,000
57.69%	67.40%	66.81%	59.68%	48.25%
83.62%	82.21%	81.82%	85.19%	87.61%

Fremont County
Schedule of County Contributions
Iowa Public Employees' Retirement System
Last Ten Fiscal Years

Required Supplementary Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	\$ 365,000	\$ 351,000	\$ 350,000	\$ 356,000
Contributions in relation to the statutorily required contribution	<u>(365,000)</u>	<u>(351,000)</u>	<u>(350,000)</u>	<u>(356,000)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
County's covered payroll	\$ 3,903,000	\$ 3,720,000	\$ 3,668,000	\$ 3,699,000
Contributions as a percentage of covered payroll	9.35%	9.44%	9.54%	9.62%

Note: Amounts are rounded.

See accompanying independent auditor's report.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 327,000	\$ 316,000	\$ 310,000	\$ 281,000	\$ 271,000	\$ 253,000
<u>(327,000)</u>	<u>(316,000)</u>	<u>(310,000)</u>	<u>(281,000)</u>	<u>(271,000)</u>	<u>(253,000)</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 3,569,000	\$ 3,444,000	\$ 3,362,000	\$ 3,080,000	\$ 2,978,000	\$ 2,844,000
9.16%	9.18%	9.22%	9.12%	9.10%	8.90%

Fremont County

Notes to Required Supplementary Information - Pension Liability

Year Ended June 30, 2022

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

* * *

Fremont County
Schedule of Changes in the County's
Total OPEB Liability, Related Ratios and Notes
For the Last Five Years

Required Supplementary Information

	<u>2022</u>	<u>2021</u>
Service cost	\$ 18,865	\$ 16,913
Interest cost	3,604	3,728
Difference between expected and actual experiences	(59,893)	(1,308)
Changes in assumptions	(7,725)	3,117
Benefit payments	<u>--</u>	<u>--</u>
Net change in total OPEB liability	(45,149)	22,450
Total OPEB liability beginning of year	<u>145,694</u>	<u>123,244</u>
Total OPEB liability end of year	<u>\$ 100,545</u>	<u>\$ 145,694</u>
Covered-employee payroll	\$ 3,636,623	\$ 3,836,716
Total OPEB liability as a percentage of covered-employee payroll	2.8%	3.8%

Notes to Schedule of Changes in the County's Total OPEB Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The mortality improvement scale applied to all mortality tables has been updated from MP-2019 to MP-2021.

Changes in assumptions and other inputs reflect the effect of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 20,370	\$ 20,562	\$ 15,773
6,493	6,810	7,221
(67,028)	(19,608)	(56,233)
1,056	3,672	2,701
<u>(4,482)</u>	<u>--</u>	<u>--</u>
(43,591)	11,436	(30,538)
<u>166,835</u>	<u>155,399</u>	<u>185,937</u>
<u>\$ 123,244</u>	<u>\$ 166,835</u>	<u>\$ 155,399</u>
\$ 3,642,945	\$ 3,472,796	\$ 3,363,483
3.4%	4.8%	4.6%

SUPPLEMENTARY INFORMATION

Fremont County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

	Special Revenue				
	County Recorder's Records Management	Mental Health	Local Government Opioid Abatement	Recorder's Electronic Transaction Fee	Resource Enhancement and Protection
Assets					
Cash, cash equivalents and pooled investments	\$ 38,051	\$ 10	\$ --	\$ 257	\$ 939
Receivables:					
Opioid settlement	--	--	157,850	--	--
Due from other governments	--	--	--	--	--
Total assets	<u>\$ 38,051</u>	<u>\$ 10</u>	<u>\$ 157,850</u>	<u>\$ 257</u>	<u>\$ 939</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ 177
Salaries and benefits payable	--	--	--	--	111
Unearned revenues	--	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>288</u>
Deferred inflows of resources:					
Unavailable revenues:					
Other	--	--	157,850	--	--
Fund balances:					
Restricted for:					
Mental health purposes	--	10	--	--	--
Capital projects	--	--	--	--	--
Other purposes	38,051	--	--	257	651
Total fund balances	<u>38,051</u>	<u>10</u>	<u>--</u>	<u>257</u>	<u>651</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,051</u>	<u>\$ 10</u>	<u>\$ 157,850</u>	<u>\$ 257</u>	<u>\$ 939</u>

See accompanying independent auditor's report.

Special Revenue							
Low to Moderate Income Assistance	County Attorney Special Law Enforcement	Sheriff Special Law Enforcement	Local Option Sales Tax	American Rescue Plan Act	Drainage Districts	Capital Projects	Total
\$ 83,435	\$ 1,588	\$ 223,483	\$ 797,914	\$ 676,405	\$ 113,259	\$ 47,154	\$ 1,982,495
--	--	--	--	--	--	--	157,850
--	--	--	81,623	--	--	--	81,623
<u>\$ 83,435</u>	<u>\$ 1,588</u>	<u>\$ 223,483</u>	<u>\$ 879,537</u>	<u>\$ 676,405</u>	<u>\$ 113,259</u>	<u>\$ 47,154</u>	<u>\$ 2,221,968</u>
\$ --	\$ --	\$ --	\$ 2,060	\$ --	\$ --	\$ --	\$ 2,237
--	--	--	--	--	--	--	111
--	--	--	--	675,949	--	--	675,949
--	--	--	2,060	675,949	--	--	678,297
--	--	--	--	--	--	--	157,850
--	--	--	--	--	--	--	10
--	--	--	--	--	--	47,154	47,154
83,435	1,588	223,483	877,477	456	113,259	--	1,338,657
<u>83,435</u>	<u>1,588</u>	<u>223,483</u>	<u>877,477</u>	<u>456</u>	<u>113,259</u>	<u>47,154</u>	<u>1,385,821</u>
<u>\$ 83,435</u>	<u>\$ 1,588</u>	<u>\$ 223,483</u>	<u>\$ 879,537</u>	<u>\$ 676,405</u>	<u>\$ 113,259</u>	<u>\$ 47,154</u>	<u>\$ 2,221,968</u>

Fremont County

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2022

	Special Revenue				
	County Recorder's Records Management	Mental Health	Local Government Opioid Abatement	Recorder's Electronic Transaction Fee	Resource Enhancement and Protection
Revenues:					
Property and other county tax	\$ --	\$ 139,616	\$ --	\$ --	\$ --
Local option sales tax	--	--	--	--	--
Intergovernmental	--	8,904	--	--	10,414
Charges for service	1,852	--	--	--	--
Use of money and property	13	--	--	--	2
Miscellaneous	--	--	--	--	--
Total revenues	<u>1,865</u>	<u>148,520</u>	<u>--</u>	<u>--</u>	<u>10,416</u>
Expenditures:					
Operating:					
Mental health	--	190,866	--	--	--
County environment and education	--	--	--	--	21,352
Administration	--	--	--	--	--
Capital projects	--	--	--	--	--
Total expenditures	<u>--</u>	<u>190,866</u>	<u>--</u>	<u>--</u>	<u>21,352</u>
Excess (deficiency) of revenues over (under) expenditures	1,865	(42,346)	--	--	(10,936)
Other financing sources (uses):					
Sales of capital assets	--	--	--	--	--
Transfers out	--	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Change in fund balances	1,865	(42,346)	--	--	(10,936)
Fund balances beginning of year	<u>36,186</u>	<u>42,356</u>	<u>--</u>	<u>257</u>	<u>11,587</u>
Fund balances end of year	<u>\$ 38,051</u>	<u>\$ 10</u>	<u>\$ --</u>	<u>\$ 257</u>	<u>\$ 651</u>

See accompanying independent auditor's report.

Special Revenue							
Low to Moderate Income Assistance	County Attorney Special Law Enforcement	Sheriff Special Law Enforcement	Local Option Sales Tax	American Rescue Plan Act	Drainage Districts	Capital Projects	Total
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 139,616
--	--	--	547,682	--	--	--	547,682
--	--	--	--	--	7,365	--	26,683
--	--	--	--	--	--	--	1,852
--	--	--	--	456	--	157	628
--	--	4,042	--	--	19,800	--	23,842
--	--	4,042	547,682	456	27,165	157	740,303
--	--	--	--	--	--	--	190,866
12,000	--	--	--	--	28,682	--	62,034
--	--	--	42,888	--	--	--	42,888
--	--	--	--	--	--	39,483	39,483
12,000	--	--	42,888	--	28,682	39,483	335,271
(12,000)	--	4,042	504,794	456	(1,517)	(39,326)	405,032
--	--	44,491	--	--	--	--	44,491
--	--	--	(127,624)	--	--	--	(127,624)
--	--	44,491	(127,624)	--	--	--	(83,133)
(12,000)	--	48,533	377,170	456	(1,517)	(39,326)	321,899
95,435	1,588	174,950	500,307	--	114,776	86,480	1,063,922
\$ 83,435	\$ 1,588	\$ 223,483	\$ 877,477	\$ 456	\$ 113,259	\$ 47,154	\$ 1,385,821

Fremont County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2022

	<u>County Recorder</u>	<u>County Sheriff</u>	<u>Agricultural Extension Education</u>
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ --	\$ --	\$ 18,613
Other County officials	26,173	13,771	--
Receivables:			
Property tax:			
Delinquent	--	--	879
Succeeding year	--	--	190,000
Accounts	492	--	--
Drainage assessments	--	--	--
Due from other governments	--	--	--
Prepaid items	--	--	--
Total assets	<u>26,665</u>	<u>13,771</u>	<u>209,492</u>
Liabilities			
Accounts payable	--	--	--
Salaries and benefits payable	--	--	--
Due to other funds	7,069	8,342	--
Due to other governments	19,596	3,954	18,613
Trusts payable	--	1,475	--
Compensated absences	--	--	--
Total liabilities	<u>26,665</u>	<u>13,771</u>	<u>18,613</u>
Deferred Inflows of Resources			
Unavailable property tax revenue	<u>--</u>	<u>--</u>	<u>190,000</u>
Net Position			
Restricted for individuals, organizations and other governments	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 879</u>

(continued next page)

<u>County Assessor</u>	<u>Schools</u>	<u>Community Colleges</u>	<u>Corporations</u>	<u>Townships</u>	<u>Auto License and Use Tax</u>
\$ 476,617	\$ 82,002	\$ 9,291	\$ 22,205	\$ 2,572	\$ 236,997
--	--	--	--	--	--
1,942	37,185	3,965	14,938	1,104	--
446,000	7,967,000	856,000	1,856,000	278,000	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
2,735	--	--	--	--	--
<u>927,294</u>	<u>8,086,187</u>	<u>869,256</u>	<u>1,893,143</u>	<u>281,676</u>	<u>236,997</u>
14,225	--	--	--	--	--
8,788	--	--	--	--	--
--	--	--	--	--	--
318,447	82,002	9,291	22,205	2,572	236,997
--	--	--	--	--	--
12,738	--	--	--	--	--
<u>354,198</u>	<u>82,002</u>	<u>9,291</u>	<u>22,205</u>	<u>2,572</u>	<u>236,997</u>
446,000	7,967,000	856,000	1,856,000	278,000	--
<u>\$ 127,096</u>	<u>\$ 37,185</u>	<u>\$ 3,965</u>	<u>\$ 14,938</u>	<u>\$ 1,104</u>	<u>\$ --</u>

Fremont County
Combining Schedule of Fiduciary Net Position - Continued
Custodial Funds

June 30, 2022

	<u>Drainage District</u>	<u>Brucellosis and Tuberculosis Eradication</u>	<u>Joint Disaster Services</u>
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$(7,230,589)	\$ --	\$ 47,691
Other County officials	--	--	--
Receivables:			
Property tax:			
Delinquent	--	--	--
Succeeding year	--	1,000	--
Accounts	--	--	--
Drainage assessments	2,497,434	--	--
Due from other governments	6,255,430	--	--
Prepaid items	--	--	827
Total assets	<u>1,522,275</u>	<u>1,000</u>	<u>48,518</u>
Liabilities			
Accounts payable	--	--	--
Salaries and benefits payable	--	--	4,097
Due to other funds	--	--	--
Due to other governments	1,522,275	--	--
Trusts payable	--	--	--
Compensated absences	--	--	--
Total liabilities	<u>1,522,275</u>	<u>--</u>	<u>4,097</u>
Deferred Inflows of Resources			
Unavailable property tax revenue	--	1,000	--
Net Position			
Restricted for individuals, organizations and other governments	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 44,421</u>

(continued next page)

<u>Property Tax Agency</u>	<u>Tax Redemption</u>	<u>E911 Surcharge</u>	<u>E911 Operating</u>	<u>Anatomical Gift Fund Trust</u>	<u>Recorder's Electronic Fee</u>
\$ 52,449 --	\$ 39,521 --	\$ 300,871 --	\$ 15 --	\$ (106) --	\$ 324 --
7 --	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	45,379	--	--	--
--	--	--	--	--	--
<u>52,456</u>	<u>39,521</u>	<u>346,250</u>	<u>15</u>	<u>(106)</u>	<u>324</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	39,521	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>39,521</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 52,456</u>	<u>\$ --</u>	<u>\$ 346,250</u>	<u>\$ 15</u>	<u>\$ (106)</u>	<u>\$ 324</u>

Fremont County
Combining Schedule of Fiduciary Net Position - Continued
Custodial Funds

June 30, 2022

	SW Regional Water Special	Total
Assets		
Cash, cash equivalents and pooled investments:		
County Treasurer	\$ 545	\$(5,940,982)
Other County officials	--	39,944
Receivables:		
Property tax:		
Delinquent	--	60,020
Succeeding year	--	11,594,000
Accounts	--	492
Drainage assessments	--	2,497,434
Due from other governments	--	6,300,809
Prepaid items	--	3,562
	<u>545</u>	<u>14,555,279</u>
Total assets		
Liabilities		
Accounts payable	--	14,225
Salaries and benefits payable	--	12,885
Due to other funds	--	15,411
Due to other governments	--	2,235,952
Trusts payable	--	40,996
Compensated absences	--	12,738
	<u>--</u>	<u>2,332,207</u>
Total liabilities		
Deferred Inflows of Resources		
Unavailable property tax revenue	<u>--</u>	<u>11,594,000</u>
Net Position		
Restricted for individuals, organizations and other governments	<u>\$ 545</u>	<u>\$ 629,072</u>

See accompanying independent auditor's report.

Fremont County
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2022

	<u>County Recorder</u>	<u>County Sheriff</u>	<u>Agricultural Extension Education</u>
Additions:			
Property and other County tax	\$ --	\$ --	\$ 184,806
E911 surcharge	--	--	--
State tax credits	--	--	11,340
Office fees and collections	270,264	113,827	--
Auto licenses, use tax and postage	--	--	--
Trusts	--	170,278	--
Miscellaneous	--	--	--
Total additions	<u>270,264</u>	<u>284,105</u>	<u>196,146</u>
Deductions:			
Agency Remittances:			
To other funds	75,110	--	--
To other governments	195,154	112,208	195,267
Trusts paid out	--	171,897	--
Total deductions	<u>270,264</u>	<u>284,105</u>	<u>195,267</u>
Changes in net position	--	--	879
Net position beginning of year	<u>--</u>	<u>--</u>	<u>--</u>
Net position end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 879</u>

(continued next page)

<u>County Assessor</u>	<u>Schools</u>	<u>Community Colleges</u>	<u>Corporations</u>	<u>Townships</u>	<u>Auto License and Use Tax</u>
\$ 434,838	\$ 7,737,210	\$ 829,655	\$ 1,721,549	\$ 273,132	\$ --
--	--	--	--	--	--
22,886	472,860	54,381	214,704	12,442	--
--	--	--	--	--	--
--	--	--	--	--	3,256,010
--	--	--	--	--	--
--	--	--	11,156	--	--
<u>457,724</u>	<u>8,210,070</u>	<u>884,036</u>	<u>1,947,409</u>	<u>285,574</u>	<u>3,256,010</u>
--	--	--	--	--	--
523,259	8,172,885	880,071	1,932,471	284,470	3,256,010
--	--	--	--	--	--
<u>523,259</u>	<u>8,172,885</u>	<u>880,071</u>	<u>1,932,471</u>	<u>284,470</u>	<u>3,256,010</u>
(65,535)	37,185	3,965	14,938	1,104	--
<u>192,631</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 127,096</u>	<u>\$ 37,185</u>	<u>\$ 3,965</u>	<u>\$ 14,938</u>	<u>\$ 1,104</u>	<u>\$ --</u>

Fremont County
Combining Schedule of Changes in Fiduciary Net Position - Continued
Custodial Funds

Year ended June 30, 2022

	<u>Drainage District</u>	<u>Brucellosis and Tuberculosis Eradication</u>	<u>Joint Disaster Services</u>
Additions:			
Property and other County tax	\$ 1,630,271	\$ --	\$ --
E911 surcharge	--	--	--
State tax credits	--	--	--
Office fees and collections	--	--	--
Auto licenses, use tax and postage	--	--	--
Trusts	--	--	--
Miscellaneous	396,661	--	94,070
Total additions	<u>2,026,932</u>	<u>--</u>	<u>94,070</u>
Deductions:			
Agency Remittances:			
To other funds	--	--	--
To other governments	2,026,932	--	91,084
Trusts paid out	--	--	--
Total deductions	<u>2,026,932</u>	<u>--</u>	<u>91,084</u>
Changes in net position	--	--	2,986
Net position beginning of year	<u>--</u>	<u>--</u>	<u>41,435</u>
Net position end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 44,421</u>

(continued next page)

<u>Property Tax Agency</u>	<u>Tax Redemption</u>	<u>E911 Surcharge</u>	<u>Clearing Account Fund</u>	<u>E911 Operating</u>	<u>Anatomical Gift Fund Trust</u>
\$ 1,518	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	168,925	--	--	--
97	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
42,564	240,554	3,815	1,552,000	--	--
<u>44,179</u>	<u>240,554</u>	<u>172,740</u>	<u>1,552,000</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--
50,858	240,554	368,820	1,552,000	--	--
--	--	--	--	--	--
<u>50,858</u>	<u>240,554</u>	<u>368,820</u>	<u>1,552,000</u>	<u>--</u>	<u>--</u>
(6,679)	--	(196,080)	--	--	--
59,135	--	542,330	--	15	(106)
<u>\$ 52,456</u>	<u>\$ --</u>	<u>\$ 346,250</u>	<u>\$ --</u>	<u>\$ 15</u>	<u>\$ (106)</u>

Fremont County

Combining Schedule of Changes in Fiduciary Net Position - Continued
Custodial Funds

Year ended June 30, 2022

	Recorder's Electronic Fee	SW Regional Water Special	Total
Additions:			
Property and other County tax	\$ --	\$ --	\$ 12,812,979
E911 surcharge	--	--	168,925
State tax credits	--	--	788,710
Office fees and collections	--	--	384,091
Auto licenses, use tax and postage	--	--	3,256,010
Trusts	--	--	170,278
Miscellaneous	<u>1,852</u>	--	<u>2,342,672</u>
Total additions	<u>1,852</u>	<u>--</u>	<u>19,923,665</u>
Deductions:			
Agency Remittances:			
To other funds	--	--	75,110
To other governments	1,666	--	19,883,709
Trusts paid out	<u>--</u>	<u>--</u>	<u>171,897</u>
Total deductions	<u>1,666</u>	<u>--</u>	<u>20,130,716</u>
Changes in net position	186	--	(207,051)
Net position beginning of year	<u>138</u>	<u>545</u>	<u>836,123</u>
Net position end of year	<u>\$ 324</u>	<u>\$ 545</u>	<u>\$ 629,072</u>

See accompanying independent auditor's report.

Fremont County

Schedule of Revenues by Source and Expenditures by Function -
All Governmental Funds

For the Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:					
Property and other county tax	\$ 5,752,035	\$ 5,776,154	\$ 5,611,038	\$ 5,232,660	\$ 5,251,410
Local option sales tax	547,682	553,861	343,755	362,040	254,250
Hotel/motel tax	121,620	109,190	85,490	119,600	115,714
Tax increment financing	--	--	21,602	46,503	43,764
Interest and penalty on property tax	41,594	72,842	15,212	36,662	39,228
Intergovernmental	7,453,063	5,810,943	6,040,420	4,292,124	4,029,693
Licenses and permits	26,754	23,202	17,768	13,506	14,894
Charges for service	447,325	367,605	326,094	334,642	319,784
Use of money and property	159,836	131,865	138,635	148,838	138,524
Miscellaneous	<u>158,937</u>	<u>288,419</u>	<u>127,917</u>	<u>257,537</u>	<u>216,228</u>
Total	<u>\$ 14,708,846</u>	<u>\$ 13,134,081</u>	<u>\$ 12,727,931</u>	<u>\$ 10,844,112</u>	<u>\$ 10,423,489</u>
Expenditures:					
Operating:					
Public safety and legal services	\$ 3,033,074	\$ 3,045,440	\$ 3,002,346	\$ 3,158,602	\$ 3,095,187
Physical health and social services	196,215	221,865	202,184	172,834	192,201
Mental health	190,866	174,825	171,843	143,976	329,537
County environment and education	2,016,365	828,293	426,370	430,479	436,913
Roads and transportation	5,438,022	5,063,672	5,559,830	5,151,161	4,261,247
Governmental services to residents	456,915	460,692	458,055	436,560	415,287
Administration	2,422,830	1,544,388	1,669,954	1,397,327	1,121,856
Non-program	--	--	--	--	--
Debt service	695,925	762,745	672,375	462,730	484,748
Capital projects	<u>39,483</u>	<u>--</u>	<u>168,999</u>	<u>1,678,345</u>	<u>3,203</u>
Total	<u>\$ 14,489,695</u>	<u>\$ 12,101,920</u>	<u>\$ 12,331,956</u>	<u>\$ 13,032,014</u>	<u>\$ 10,340,179</u>

See accompanying independent auditor's report.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 4,954,444	\$ 4,586,033	\$ 4,615,221	\$ 4,029,758	\$ 3,974,230
389,525	376,573	496,146	369,605	392,161
126,307	116,234	85,618	85,376	125,396
240,155	252,521	289,238	288,762	311,733
31,829	30,307	33,765	40,599	41,216
4,007,602	4,059,073	3,803,013	4,466,015	4,252,581
14,310	16,015	14,541	15,349	24,093
316,451	316,795	300,019	294,478	322,460
103,908	86,832	85,529	81,631	86,218
<u>286,218</u>	<u>173,536</u>	<u>192,954</u>	<u>102,280</u>	<u>121,124</u>
<u>\$ 10,470,749</u>	<u>\$ 10,013,919</u>	<u>\$ 9,916,044</u>	<u>\$ 9,773,853</u>	<u>\$ 9,651,212</u>
\$ 2,739,758	\$ 2,539,188	\$ 1,972,701	\$ 1,833,658	\$ 1,660,240
178,874	158,461	163,527	171,724	198,747
276,030	353,903	1,351,835	513,198	557,711
664,646	639,068	623,256	893,739	857,130
4,217,741	4,411,415	3,746,205	4,076,405	3,876,087
392,753	403,046	367,750	335,342	294,987
1,145,031	1,176,027	1,153,983	1,128,976	1,561,724
19,786	15,000	--	--	--
459,111	464,679	486,975	107,948	142,348
<u>704,551</u>	<u>609,860</u>	<u>4,396,032</u>	<u>1,368,797</u>	<u>26,863</u>
<u>\$ 10,798,281</u>	<u>\$ 10,770,647</u>	<u>\$ 14,262,264</u>	<u>\$ 10,429,787</u>	<u>\$ 9,175,837</u>

Fremont County
Schedule of Expenditures of Federal Awards
Year ended June 30, 2022

<u>Grantor/Program</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Program Expenditures</u>
U.S. Department of Housing and Urban Development: Passed through Iowa Economic Development Authority:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	19-DRMB-002	\$ 370,849
Community Development Block Grant National Disaster Resilience Competition	14.272	13-NDRI-004	<u>1,181,559</u>
Total U.S. Department of Housing and Urban Development			1,552,408
U.S. Department of Homeland Security: Passed through Iowa Department of Homeland Security & Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4421 DRIA	585,775
Hazard Mitigation Grant Program	97.039	DR-4421 0015	<u>994,296</u>
Total U.S. Department of Homeland Security			<u>1,580,071</u>
Total			<u>\$ 3,132,479</u>

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Fremont County under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Fremont County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Fremont County.

Summary of Significant Accounting Policies - Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate - Fremont County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.

COMMENTS AND RECOMMENDATIONS

Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

1910 EAST 7th STREET BOX 369
ATLANTIC, IOWA 50022-0369
(712) 243-1800
FAX (712) 243-1265
CPA@GBKCO.COM

KENNETH P. TEGELS
CHRISTOPHER J. NELSON
DAVID A. GINTHER
DUSTIN T. VEENSTRA

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Officials of Fremont County, Iowa

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Fremont County, Iowa, as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fremont County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fremont County's internal control. Accordingly, we do not express an opinion on the effectiveness of Fremont County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 to be significant deficiencies.

To the Officials of Fremont County, Iowa

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fremont County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters which are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Fremont County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Fremont County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Fremont County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James W. Bell, Kyhn & Co. P.C.

Atlantic, Iowa
June 30, 2023

Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

1910 EAST 7th STREET BOX 369
ATLANTIC, IOWA 50022-0369
(712) 243-1800
FAX (712) 243-1265
CPA@GBKCO.COM

KENNETH P. TEGELS
CHRISTOPHER J. NELSON
DAVID A. GINTHER
DUSTIN T. VEENSTRA

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Officials of Fremont County, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fremont County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Fremont County's major federal program for the year ended June 30, 2022. Fremont County's major federal program is identified in the summary of the independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Fremont County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Fremont County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Fremont County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Fremont County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Fremont County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Fremont County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fremont County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Fremont County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Fremont County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

To the Officials of Fremont County, Iowa

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brennan, Ben, Kohn & Co. P.C.

Atlantic, Iowa
June 30, 2023

Fremont County
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with accounting principles generally accepted in the United States of America.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements. The audit did not disclose any material weaknesses in internal control over financial reporting.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) The audit did not disclose any material weaknesses or significant deficiencies in internal control over the major program.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program was Assistance Listing Number 97.039 - Hazard Mitigation Grant Program.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Fremont County was determined to be a low-risk auditee.

Fremont County
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

2022-001 Segregation of Duties

Criteria - Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements.

Condition - Generally, one or two individuals in the County have control over the following areas for which no compensating controls exist:

- (1) Responsibilities for opening mail, collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash.
- (2) The person responsible for the detailed recordkeeping of investments is also the custodian of the investments. Investments are not periodically inspected or reconciled to investment records by an independent person and an independent verification of interest earnings is not performed.

Cause - The County has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect - Inadequate segregation of duties could adversely affect the County's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation - Management should review the control activities to obtain the maximum internal control possible under the circumstances. Management should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

Response - We will do the best we can with our limited staff.

Conclusion - Response accepted.

Fremont County
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Part II: Findings Related to the Financial Statements - Continued

2022-002 Timesheets

Criteria - An effective internal control system provides for internal controls related to preparation of timesheets by all employees. Timesheets support all hours worked and taken as vacation, sick leave, compensatory time, holiday hours and personal days and provide an accurate record of hours worked. The County Board of Supervisors does not require salaried employees to prepare and file timesheets.

Condition - Timesheets are not prepared by salaried personnel.

Cause - Policies have not been established and procedures have not been implemented to require salaried employees to prepare timesheets.

Effect - Lack of timesheets for salaried personnel increases the risk of inaccurate leave records and the potential for pay for hours not worked. When an employee retires or otherwise leaves employment, the County pays out unused vacation and compensatory time. Without detailed records to support the claim, there is no assurance the claim is proper. In addition, without detailed records, the County may not have the support necessary to ensure compliance with the Fair Labor Standards Act.

Recommendation - Timesheets should be prepared by all personnel, salaried as well as hourly, and should be submitted to the County Auditor's office prior to the processing of payroll each pay period. The timesheets should be signed by the employee and supervisor prior to submission. The timesheets should support all hours worked and taken as vacation, sick leave, compensatory time, holiday hours and personal days.

Response - There are two elected official department heads that turn in sheets for time off, but not for bi-weekly time worked. They are elected officials and responsible for the recordkeeping in their respected offices. All other departments turn in bi-weekly timesheets.

Conclusion - Response acknowledged. Timesheets should be prepared by all personnel, salaried as well as hourly, and should be submitted to the County Auditor's office prior to the processing of payroll each pay period. The timesheets should be signed by the employee and supervisor prior to submission. The timesheets should support all hours worked and taken as vacation, sick leave, compensatory time, holiday hours and personal days.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Fremont County
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Part III: Findings and Questioned Costs For Federal Awards

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Fremont County
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Part IV: Other Findings Related to Required Statutory Reporting

2022-A Certified Budget: Disbursements during the year ended June 30, 2022 exceeded the amount budgeted in the mental health function and disbursements in certain departments exceeded the amounts appropriated.

Recommendation: The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response: We will amend the budget when required and appropriations will be watched more closely by the departments.

Conclusion: Response accepted.

2022-B Questionable Expenditures: No expenditures were noted that did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

2022-C Travel Expense: No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2022-D Business Transactions: No business transactions between the County and County officials or employees were noted.

2022-E Restricted Donor Activity: No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2022-F Bond Coverage: Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

2022-G Board Minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.

2022-H Deposits and Investments: The County has not adopted a written investment policy as required by Chapter 12B.10B of the Code of Iowa.

A resolution naming official depositories has been approved by the County. However, the County held deposits at June 30, 2022 at one financial institution that was not included on the resolution naming official depositories.

Fremont County
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Part IV: Other Findings Related to Required Statutory Reporting - Continued

Recommendation: The County should adopt a written investment policy which complies with the provisions of Chapter 12B.10B of the Code of Iowa. Also, the County should adopt a new resolution naming official depositories that includes all financial institutions in which the County has deposits.

Response: We will adopt an investment policy and a new resolution naming official depositories as required.

Conclusion: Response accepted.

- 2022-I Resource Enhancement and Protection Certification: The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 2022-J Annual Urban Renewal Report: The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.
- 2022-K Tax Increment Financing (TIF): No instances of non-compliance with the division of taxes in accordance with Chapter 403.19(6)(a)(1) of the Code of Iowa were noted.
- 2022-L Economic Development: The County provides funding to Shenandoah Chamber and Industry Association. The County provided funding totaling \$20,000 to Shenandoah Chamber and Industry Association in fiscal year 2022. In accordance with Chapter 15A of the Code of Iowa, the County is providing oversight of these funds to determine the funds are being spent in accordance with the agreements and expenses meet the test of public purpose.

* * *